

CHAPTER 434-120 WAC
CHARITABLE SOLICITATION ORGANIZATIONS
AND CHARITABLE TRUSTS

Last Update: 8/26/98

WAC

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DISPOSITION OF SECTIONS FORMERLY
CODIFIED IN THIS CHAPTER

434-120-315	Exemption from annual reporting. [Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-315, filed 5/24/95, effective 6/24/95.] Repealed by 98-18-034, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070.
434-120-317	Abbreviated reporting for qualifying trusts. [Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-317, filed 5/24/95, effective 6/24/95.] Repealed by 98-18-034, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070.

434-120-335	When to file annual reports. [Statutory Authority: RCW 11.110.070. 96-08-049, § 434-120-335, filed 4/1/96, effective 5/2/96. Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-335, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-335, filed 12/1/93, effective 1/1/94.] Repealed by 98-18-034, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070.
434-120-340	Annual reports suspended under certain conditions. [Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-340, filed 12/1/93, effective 1/1/94.] Repealed by 98-18-034, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070.
434-120-350	Notifying the Attorney General of litigation. [Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-350, filed 12/1/93, effective 1/1/94.] Repealed by 98-18-034, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070.

SECTION I GENERAL PROVISIONS AND DEFINITIONS

WAC 434-120-010 Authority and purpose. These rules are adopted under authority of chapter 19.09 RCW, the Charitable Solicitations Act, hereafter referred to as "the Solicitations Act," chapter 11.110 RCW, the Charitable Trust Act, hereafter referred to as "the Trust Act," and chapter 43.07 RCW to provide for the efficient administration of these acts.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-010, filed 12/1/93, effective 1/1/94. Formerly WAC 434-19-010.]

WAC 434-120-015 Official address and telephone number.

(1) The address for all correspondence is the Corporations Division, Office of the Secretary of State, P.O. Box 40234, Olympia, Washington 98504-0234.

(2) In-person transactions may be made at the Corporations Division Office, 505 Union S.E., Second Floor, Olympia, Washington. There is an expedited in-person fee of twenty dollars for single or multiple transactions within each charitable organization or commercial fund raiser file.

(3) The telephone number is (360) 753-7118 or (360) 753-7120. The toll free number in Washington is 1-800-332-GIVE (1-800-332-4483).

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-015, filed 12/1/93, effective 1/1/94. Formerly WAC 434-19-012 and 434-19-013.]

WAC 434-120-020 Office hours. Business hours of the corporations division are 8:00 a.m. to 5:00 p.m., Monday through Friday, except holidays. Over-the-counter service is available to provide same day service for individual requests brought in before 4:30 p.m. (see WAC 434-110-060) and telephone service is available from 8:00 a.m. to 5:00 p.m.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-020, filed 12/1/93, effective 1/1/94. Formerly WAC 434-19-014.]

WAC 434-120-025 Definitions.

(1) "Charitable organization" means any entity that solicits or collects contributions from the general public where the contribution is or is purported to be used to support a charitable activity, but does not include any commercial fund-raiser or commercial fund-raising entity as defined in this section. "Charitable":

(a) Is not limited to its common law meaning unless the context clearly requires a narrower meaning;

(b) Does not include religious or political activities; and

(c) Includes, but is not limited to, educational, recreational, social, patriotic, legal defense, benevolent, and health causes.

(2) "Charitable trust" means any real or personal property right held by an entity or person that is intended to be used for a charitable purpose(s). The trust may be created by will, deed, articles of incorporation, or other governing instrument. It may be express or constructive.

(3) "Commercial coventurer" means a corporation, partnership, sole proprietorship, limited liability company, limited partnership, limited liability partnership, individual, or other entity that:

(a) Is regularly and primarily engaged in making sales of goods or services for profit directly to the general public; and

(b) Is not otherwise regularly or primarily engaged in making charitable solicitations in this state or otherwise raising funds in this state for one or more charitable organizations; and

(c) Represents to prospective purchasers that if they purchase a good or service from the commercial coventurer, a specified portion of the sales price or a certain sum of money or some other specified thing of value will be donated to a named charitable organization; and

(d) Does not ask purchasers to make checks or other instruments payable to a named charitable organization or any entity other than the commercial coventurer itself under its regular commercial name.

(4) "Compensation," means salaries, wages, fees, commissions, or any other remuneration or valuable consideration. Compensation shall not include reimbursement for expenses incurred and documented or noncash awards or prizes, valued at one hundred dollars or less, given annually to each volunteer.

(5) "Solicitation," means any oral or written request for a contribution, including the solicitor's offer or attempt to sell any property, rights, services, or other thing in connection with which:

(a) Any appeal is made for any charitable purpose; or

(b) The name of any charitable organization is used as an inducement for consummating the sale; or

(c) Any statement is made that implies that the whole or any part of the proceeds from the sale will be applied toward any charitable purpose or donated to any charitable organization; or

(d) The solicitation shall be deemed completed when made, whether or not the person making it receives any contribution or makes any sale.

(6) "Solicitation," as defined in RCW 19.09.020(15), for the purposes of these regulations, shall not include any of the following:

(a) An application or request for application for a grant, contract, or similar funding from any foundation, corporation, governmental agency or similar entity which has an established application and review procedure for reviewing such requests;

(b) The attempt to sell a service or good which constitutes the basis of the charitable organization's activities under which the federal income tax exemption was granted, or is the primary purpose for the existence of the charitable organization. This includes, but is not limited to, admission to a theatrical or other performance presented by a charitable organization that is a drama, musical, dance, or similar group and fees for services such as a hospital provides or use of the charitable organization's facilities; or

(c) Bingo activities, raffles, and amusement games conducted under chapter 9.46 RCW and applicable rules of the Washington state gambling commission.

(7) "Commercial fund-raiser" or "commercial fund-raising entity" means any entity that for compensation or other consideration within this state directly or indirectly solicits, receives or raises contributions for or on behalf of any charitable organization or charitable purpose, or that is engaged in the business of or is held out to persons in this state as independently engaged in the business of soliciting or receiving contributions for such purposes. However, the following shall not be deemed a "commercial fund-raiser" or "commercial fund-raising entity":

(a) Any entity that provides fund-raising advice or consultation to a charitable organization within this state but neither directly nor indirectly solicits or receives or raises any contribution for or on behalf of any such charitable organization; or

(b) A bona fide officer or other employee of a charitable organization.

[Statutory Authority: RCW 19.09.079, 19.09.190 and 19.09.315. 97-16-036, § 434-120-025, filed 7/30/97, effective 8/30/97. Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-025, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-025, filed 12/1/93, effective 1/1/94. Formerly WAC 434-19-020.]

WAC 434-120-030 Public records. Except as provided by RCW 42.17.310, all public records of the corporations division, which includes the charitable organization registration and charitable trust section, are available for public inspection and copying pursuant to rules of procedures in chapter 434-120 WAC and WAC 434-110-075. Registrations of trusts with several or mixed purposes shall not be made public under RCW 11.110.040 and 11.110.075.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-030, filed 12/1/93, effective 1/1/94. Formerly WAC 434-19-015.]

WAC 434-120-040 Public information derived from registration. Registration forms, and attachments, filed by charitable organizations and commercial fund-raisers pursuant to WAC 434-120-105 and WAC 434-120-215 are available for public inspection or copying. For purposes of public reports derived from that registration information, the secretary shall calculate, and make available to the public, the following information:

(1) For charitable organizations, the percentage of total expenditures in a reporting year allocated to charitable program services. This shall be calculated as follows:

(a) For organizations required to file a federal information tax return, by dividing the amount reported as "program services" (e.g., line 13 of the form 990) by the amount reported as "total expenses" (e.g., line 17 of form 990) and multiplying by 100; or

(b) For organizations not required to file a federal informational tax return, by dividing the amount reported as expended for charitable purposes by the amount reported as total expenses.

(2) For commercial fund-raisers the percentage of the proceeds of charitable solicitations which are paid to or retained by charitable organizations. This shall be calculated by dividing the amount reported pursuant to WAC 434-120-215 (2)(n)(iii)(B) by the amount reported pursuant to WAC 434-120-215 (2)(n)(iii)(A), and multiplying by 100.

[Statutory Authority: RCW 19.09.075, 19.09.079 and 19.09.210. 97-16-035, § 434-120-040, filed 7/30/97, effective 8/30/97.]

SECTION II
CHARITABLE ORGANIZATION REGISTRATION
REQUIREMENTS

WAC 434-120-100 Who shall register.

(1) Any entity that will conduct a charitable solicitation or solicit funds from the general public for charitable purposes shall register with the corporations division under the solicitations act.

(2) Entities exempt from registration are the following:

(a) Any entity that provides fund-raising advice or consultation to a charitable organization within this state but neither directly nor indirectly solicits or receives any contribution for or on behalf of any such charitable organization;

(b) Any entity whose sole purpose is religious or political;

(c) Any entity who raises less than twenty-five thousand dollars in revenue in any accounting year, all of whose activities including fund-raising are conducted by volunteers, and whose officers or members do not receive assets of or benefits from the organization;

(d) A bona fide officer or other employee of the charitable organization for which the funds are solicited; and

(e) Charitable organizations located outside of the state of Washington that meet the statutory requirements under RCW 19.09.076(2).

(3) Any entity exempt from registration by these regulations soliciting or conducting a solicitation shall comply with the conditions for solicitations as described in RCW 19.09.100.

(4) Interpretive note: The secretary of state does not interpret RCW 19.09.065 as requiring a registration by an employee of an educational institution who, as part of his or her employment with the institution, solicits contributions on behalf of a nonprofit charitable foundation affiliated with that institution, if the foundation is registered and the educational institution is either:

(a) A public school, college, or university operated by the state of Washington, one of its school districts, or a comparable public institution of another state or nation; or

(b) A private entity that is nonprofit and charitable, having a program of primary, secondary, or collegiate instruction comparable in scope to that of any public school or college operated by the state of Washington or any of its school districts.

[Statutory Authority: RCW 19.09.315 and 19.09.075. 96-10-021, § 434-120-100, filed 4/24/96, effective 5/25/96. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-100, filed 12/1/93, effective 1/1/94.]

WAC 434-120-103 Required filings.

(1) A charitable organization complies with the filing and registration requirements of this chapter by filing the following documents with the secretary of state at the times, and in the manner, prescribed by these rules:

(a) Uniform Registration Statement - Charitable/Public Benefit Form. This form is used as an original registration form, as well as a periodic renewal form. The purpose of this report is to provide basic information about the organization, as described in RCW 19.09.075; and

(b) Solicitation report. This form is filed periodically by all charitable organizations, except those exempted by these rules. The purpose of this report is to provide information regarding solicitations conducted during the reporting period, of an informational nature to the public. Solicitation reports are filed as part of a periodic renewal, and as provided by WAC 434-120-105(4) for newly registered organizations; and

(c) All contracts between the commercial fund-raiser and all charitable organizations for which it solicits, as provided by WAC 434-120-240.

(2) The financial statement required by WAC 434-120-130 does not need to be filed with the office of the secretary of state. The purpose of this statement is to verify and support the information filed in the solicitation report. This statement must be available upon request as provided in this chapter.

(3) This section is intended to be explanatory of other rules in this chapter, and not to modify or diminish the requirements of those rules.

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-103, filed 5/24/95, effective 6/24/95.]

WAC 434-120-105 Form.

(1) Charitable organizations registering under this act shall use the registration form available in the office of the corporations division. The secretary of state shall develop a form in compliance with this rule. The secretary's failure to affirmatively reject or return an incomplete registration or other filing that does not fully comply with these rules or chapter 19.09 RCW shall not excuse the failure to comply. The secretary may accept the Uniform Registration Statement developed by the National Association of State Charity Officials if accompanied by an addendum developed by the secretary for use in Washington, if the uniform form and addendum contain all of the information required by this rule.

(2) A registration form is not complete, and will not be accepted for filing, unless it includes:

(a) The name of the organization, and every address (including both physical address and any mailing address if different), telephone number(s), FAX number(s), and taxpayer identification number, including those of all offices, chapters, branches, and affiliates used in charitable solicitations reflected in the registration including any electronic mail or Internet addresses used by the organization;

- (b) All of the names under which the organization will solicit contributions;
 - (c) If incorporated, the corporate name, unified business identifier number, state and date of incorporation, or if not incorporated, the type of organization and date established;
 - (d) The end date of its current fiscal year;
 - (e) The court or other forum, case number and title of all legal actions, if any, in which a judgment or final order was entered, or action is currently pending, against any organization or individual required to be identified in the registration. "Actions" include any administrative or judicial proceeding alleging that the entity has failed to comply with these rules, chapter 19.09 RCW, or state or federal laws pertaining to taxation, revenue, charitable solicitation, or recordkeeping, whether such action has been instituted by a public agency or a private person or entity;
 - (f) A list of all states where the organization is registered for charitable solicitations, including any other names under which the organization is currently registered or has been registered in the past three years;
 - (g) The name, address, and telephone number of the officers or of persons accepting responsibility for the organization;
 - (h) The names of the three officers or employees receiving the greatest amount of compensation from the organization;
 - (i) The purpose of the charitable organization, including, if applicable, the names and addresses of any specific beneficiaries which the charitable organization supports and to whom assets would be distributed to in the event of dissolution;
 - (j) Whether the charitable organization is exempt from federal income tax, and, if so, attaching to its initial registration a copy of the letter by which the Internal Revenue Service granted such status;
 - (k) The name and address of the person or entity with authority for the preparation of financial statements or the maintenance of financial information on behalf of the organization;
 - (l) The name, address, and telephone number of an individual with expenditure authority who can respond to questions regarding expenditures of funds, and the names and addresses of any commercial fund-raiser and any commercial coventurer who have the authority to expend funds or incur obligations on behalf of the organization;
 - (m) An irrevocable appointment of the secretary to receive service of process in noncriminal proceedings as provided in RCW 19.09.305;
 - (n) A solicitation report of the charitable organization for the preceding fiscal year including:
 - (i) The types of solicitations conducted; and
 - (ii) The name, physical address, and telephone number of any commercial fund-raiser, including any commercial coventurer conducting solicitations on behalf of the organization in Washington during the period covered by this report; and
 - (iii) Either:
 - (A) A copy of the charitable organization's federal informational tax return (Form 990 or Form 990 PF, but not Form 990 EZ) covering the period covered by this report. The form shall include lines on which to report the amounts reported on the return as "program services" and "total expenses"; or
 - (B) If, for the fiscal year covered by the report, the charitable organization either filed a federal informational tax return using Form 990 EZ, or did not file a federal informational tax return, (I) the total dollar value of all support received from solicitations, (II) the total dollar value of revenue from all other sources, (III) total expenditures, including amounts paid to or retained by a commercial fund-raiser, during the reporting period and (IV) the amount of those expenditures devoted directly to charitable program services. Amounts paid to or retained by a commercial fund-raiser include all revenue, as defined by WAC 434-120-025, including, without limitation, fees for services, contributions, proceeds from the sale of goods or services (including tickets to events), and all other revenue from solicitations;
 - (o) The form shall also include a space within which any charitable organization may provide additional information which the organization believes would be of assistance in understanding other reported information, or to provide context for reported information.
- (3) Solicitation reports shall not report estimates, but shall report actual figures. If the organization did not directly or indirectly conduct any charitable solicitations in the previous accounting year, it shall file a supplemental registration form no later than the end of the ninth month after registering which provides a complete solicitation report with actual figures from the first six months of activity after registering, if its gross revenue from solicitations exceeds twelve thousand five hundred dollars during that six-month period or otherwise ceases to qualify for an exemption under WAC 434-120-100 (2)(c).
- (4) A parent organization may file a consolidated registration form, including the solicitation report, when registering including the solicitation information required for each of its related foundations, supporting organizations, chapters, branches, or affiliates in the state of Washington, which are supervised or controlled by the parent organization. A parent organization may report financial information either separately or in consolidated form for all subsidiary organizations. A filing by the parent organization relieves each subsidiary organization identified in that filing of any duty to file independently.
- (5) All charitable solicitation organization registrations shall be signed by the president, treasurer, or comparable officer of the organization or, in the absence of officers, person responsible for the organization, whose signature shall be notarized.

[Statutory Authority: RCW 19.09.075. 97-19-043, § 434-120-105, filed 9/11/97, effective 10/12/97. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-105, filed 12/1/93, effective 1/1/94.]

WAC 434-120-115 Treatment of appropriated funds. A government subdivision or publicly supported educational facility that is also a charitable organization shall report government appropriated funds only to the extent such funds are directly expended to support fund raising efforts or to defray costs of administering the organization's fund raising programs.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-115, filed 12/1/93, effective 1/1/94.]

WAC 434-120-125 Record retention. Organizations shall keep, for a three-year period, the annual solicitation reports and the supporting documents including books, ledgers, prepared statements, compilations, reviews, or audit reports, or any other records on which they were based, making them available to the attorney general or county prosecutor on request.

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-125, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-125, filed 12/1/93, effective 1/1/94.]

WAC 434-120-130 Financial standards. Upon the request of the attorney general, secretary or the county prosecutor, a charitable organization shall submit a financial statement containing, but not limited to, the following information within thirty days from date of request.

- (1) The gross amount of the contributions pledged and the gross amount collected.
- (2) The amount thereof, given or to be given to charitable purposes represented together with details as to the manner of distribution as may be required.
- (3) The aggregate amount paid and to be paid for the expenses of such solicitation.
- (4) The amounts paid to and to be paid to commercial fund-raisers or charitable organizations.
- (5) Copies of any annual or periodic reports furnished by the charitable organization, of its activities during or for the same fiscal period, to its parent organization, subsidiaries, or affiliates, if any.

[Statutory Authority: RCW 19.09.075, 19.09.079 and 19.09.210. 97-16-035, § 434-120-130, filed 7/30/97, effective 8/30/97. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-130, filed 12/1/93, effective 1/1/94.]

WAC 434-120-135 Contributor lists. All charitable organizations registered under this act shall keep records of all contributors to the organization for three years. If a commercial fund raiser manages a campaign for a charitable organization, either the commercial fund raiser or the charitable organization shall be the entity responsible for maintaining the contributor records for that campaign. These records shall include the names of the following contributors:

- (1) Each contributing entity that collects individual donations from an employee or member group or a business, turning them over to the charitable organization as a single sum, such as the United Way;
- (2) Each corporation that contributed; and
- (3) Each individual who contributed more than twenty-five dollars.

The records must be retrievable and compilable for a period of three years and shall be turned over within ten working days upon written request of the Attorney General or the county prosecutor, although the organization is not required to keep the names in a standard list format at all times.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-135, filed 12/1/93, effective 1/1/94.]

WAC 434-120-140 How and when.

(1) Original registration: An entity required to register as a charitable organization shall complete the form described in WAC 434-120-105 and submit it with the fee in WAC 434-120-145 prior to conducting any solicitation.

(2) Annual renewal:

(a) An entity shall renew its charitable registration by no later than the fifteenth day of the fifth month after the end of its fiscal year.

(b) The renewal shall include the same information required for registration as described in WAC 434-120-105 and RCW 19.09.075, except that a determination letter from the Internal Revenue Service need not be attached if it was previously filed. The solicitation report will be based on the most recent filing with the Internal Revenue Service or if the organization does not file with the Internal Revenue Service, the solicitation report will be based on the most recently completed fiscal year. No organization may submit the same fiscal information for two consecutive years.

(c) No change in an entity's fiscal year shall cause the due date of a renewal to be more than one year after the previous registration or renewal. For purposes of renewals that include financial information for a partial year, due to a change of fiscal year, threshold levels for registration and financial statement requirements shall be determined on a prorated basis.

(3) Change in status, notification: An organization shall notify the corporations division of a change in principal officer, owner, Washington representative, tax status, fiscal year, or any other information filed under RCW 19.09.075 or WAC 434-120-105, within thirty days after the change.

[Statutory Authority: RCW 19.09.315 and 19.09.075. 96-10-021, § 434-120-140, filed 4/24/96, effective 5/25/96. Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-140, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-140, filed 12/1/93, effective 1/1/94.]

WAC 434-120-145 Fees.

(1) Original registration: Entities registering as charitable organizations shall pay a fee of twenty dollars for the first year of registration. The fee shall be waived for those who first register under this act at the same time as filing nonprofit incorporation papers.

(2) Annual reregistration: Organizations reregistering shall pay a fee of ten dollars. If reregistering at the same time as filing nonprofit corporation annual reports, the organization shall pay a combined fee of fifteen dollars. If an organization files renewals under the Nonprofit Corporation Act, the Charitable Solicitations Act, and the Charitable Trusts Act, the fee shall be thirty dollars for all three. The fee shall be thirty dollars if renewing under the Charitable Trusts Act, the Charitable Solicitations Act, the public benefits provision, and filing a nonprofit corporation annual report.

(3) Information changes: Organizations filing changes of information described in WAC 434-120-220(3), shall pay a fee of ten dollars for each submittal of change(s).

(4) Photocopy fees: For copy of a charitable organization registration form or letter, including the finance and solicitation reports, the fee is five dollars.

(5) Expedited service fees: For in-person service at the counter, the fee is twenty dollars for one or more transactions in each charitable organization file requested.

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-145, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-145, filed 12/1/93, effective 1/1/94.]

WAC 434-120-155 Public benefit nonprofit corporation registration--Annual fee. Any corporation filing under the Nonprofit Corporation Act and possessing an exemption under 26 U.S.C. Sec. 501 (c)(3), or is not required to apply for its tax exempt status, may register as a "public benefit nonprofit corporation" with the corporations division for a fee of ten dollars.

The corporation must reregister annually, pay a ten dollar fee, and retain its 26 U.S.C. Sec. 501 (c)(3) exemption or other tax exempt status. The annual fee shall be waived for organizations reregistering at the same time as filing nonprofit corporation annual reports, charitable organization, or charitable trust reregistration.

An organization registered under this section may list the designation, "public benefit nonprofit corporation," in all its literature and media materials.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-155, filed 12/1/93, effective 1/1/94.]

WAC 434-120-160 Penalty for late registration. The corporations division will send notice of the time to renew the charitable solicitations registration when it mails notice of the annual report or license renewal due date. A charitable organization that fails to reregister at the time the corporation annual report or license renewal is due, shall pay a late penalty fee of twenty-five dollars when the reregistration is made, if made prior to administrative corporate dissolution. If the corporation has been administratively dissolved, it shall pay an additional fifty dollar penalty for each year, including the current year, it was not registered under this act for which it wishes to reinstate its corporation registration. A charitable organization not registered as a corporation shall be assessed a penalty of twenty-five dollars if registering within sixty-five days of the renewal date. Thereafter, the penalty fee shall be fifty dollars for each year, including the current year, it has failed to register. If the registration has lapsed for a period of more than two years, the entity shall register as a new charitable organization.

The penalty fees for late registration shall be in addition to any other remedies that may be imposed by law, including penalties for soliciting without being registered.

Under special circumstances the charitable organization may ask the Secretary of State to waive all penalty fees for late registration that are imposed by these regulations.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-160, filed 12/1/93, effective 1/1/94.]

WAC 434-120-170 Use of particular names in solicitations.

(1) In addition to registration under this act, any entity conducting a solicitation using the name police, sheriff, fire fighter, firemen, or similar name shall file with the corporations division, an original copy of the authorization to use the name in the solicitation. The authorization shall be signed by two officers or other persons responsible for carrying out the purpose of the bona fide department or organization that is giving its permission to use one of the above names. For the purposes of this section, "bona fide organization" shall mean a government department or agency of police, sheriffs, fire fighters, firemen, or similarly named government employer or an entity in which some or all of its members are employed by a government department or agency of police, sheriffs, fire fighters, firemen, or similar name.

(2) In addition to registration under this act, any entity conducting a solicitation using the name of a military veterans' service organization listed in the most current annual *Directory of Veterans Service Organizations* published by The Department of Veterans Affairs, Office of the Secretary, in Washington, D.C., shall file with the corporations division an original copy of the signed authorization to use the name in the solicitation. The signatory shall be the highest ranking official of the organization in the state who is listed in the "commanders list" maintained by the Washington department of veterans affairs.

(3) In addition to registration under this act, any entity using the name of a military veterans' service organization that is not affiliated with a national military veterans' service organization shall file with the corporations division an original copy of the authorization granting permission to use the name. The signatory shall be the service organization's highest ranking official in the state of Washington.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-170, filed 12/1/93, effective 1/1/94.]

WAC 434-120-175 Voluntary verification information. Each organization registering under the act may submit additional information, not required by law, for its file if the information is intended to inform the public about its programs and activities and to verify its existence. The corporations division may place such information in the organization's file for a specified period of time. Persons coming into the office may read such information; however, no voluntary verification information shall be mailed out.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-175, filed 12/1/93, effective 1/1/94.]

SECTION III COMMERCIAL FUND RAISER REGISTRATION REQUIREMENTS

WAC 434-120-200 Required filings.

(1) A commercial fund-raiser complies with the filing and registration requirements of this chapter by filing the following documents with the secretary of state at the times, and in the manner, prescribed by these rules:

(a) Commercial fund-raiser registration form. This form is used as an original registration form, as well as an annual renewal form. The purpose of this report is to provide basic information about the organization, as described in RCW 19.09.079;

(b) Solicitation report. These reports are filed periodically by all commercial fund-raisers, except those exempted by these rules. The purpose of these reports are to provide information regarding solicitations conducted during the reporting period, of an informational nature to the public. These reports must be filed in the time and manner specified in WAC 434-120-215;

(c) All surety bonds required by WAC 434-120-260; and

(d) All contracts between the commercial fund-raiser and all charitable organizations for which it solicits, as provided by WAC 434-120-240.

(2) The financial statement required by WAC 434-120-255 does not need to be filed with the office of the secretary of state. The purpose of this statement is to verify and support the information filed in the solicitation report. This statement must be available upon request as provided in this chapter.

(3) This section is intended to be explanatory of other rules in this chapter, and not to modify or diminish the requirements of those rules.

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-200, filed 5/24/95, effective 6/24/95.]

WAC 434-120-210 Who shall register.

(1) Every commercial fund raiser, as described in RCW 19.09.020(8), shall register each year, pursuant to WAC 434-120-215, except that commercial coventurers may instead register pursuant to WAC 434-120-212.

(2) Suppliers of goods and services to charitable organizations for fund raising purposes are exempt from registration, if they are not otherwise engaged in the business of charitable fund raising.

[Statutory Authority: RCW 19.09.079, 19.09.190 and 19.09.315. 97-16-036, § 434-120-210, filed 7/30/97, effective 8/30/97.
Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-210, filed 12/1/93, effective 1/1/94.]

WAC 434-120-212 Registration by commercial coventurers.

(1) A commercial coventurer shall register with the secretary as either a commercial fund raiser or a commercial coventurer before conducting any solicitations. If a commercial coventurer chooses to register as a commercial fund raiser, it shall comply with all registration requirements for commercial fund raisers as set forth in chapter 19.09 RCW and chapter 434-120 WAC. If a commercial coventurer chooses to register as a commercial coventurer, it shall do all of the following:

(a) Pay a registration fee as specified in WAC 434-120-250 and file the registration form required by this rule. An entity which is entitled to and does register as a commercial coventurer need not:

(i) File the form specified in WAC 434-120-215; nor

(ii) Post a bond pursuant to RCW 19.09.190; and

(b) File with the secretary a copy of its written agreement with each charitable organization for which it solicits.

This agreement must state the name, address and telephone number of the commercial coventurer and the charitable organization; must be signed by an officer of the charitable organization and the person in charge of the commercial coventurer; must specify how the commercial coventurer's contribution to the organization as a result of this promotion shall be calculated, based upon an aggregate fixed dollar amount, a fixed dollar amount per sale, or a fixed percentage of gross sales revenue; and must state the charitable organization's permission to use its name; and

(c) Keep on file at its principal place of business a financial statement reflecting the results of its campaign(s) on behalf of each charitable organization for which it raises funds, which shall include at a minimum all of the information required by RCW 19.09.079(7), and shall produce this statement upon demand to the attorney general within ten business days.

(2) The registration form required by this rule shall be the same as the form described in WAC 434-120-215 except as follows:

(a) It shall omit the information required by WAC 434-120-215 (2)(e); and

(b) Instead of the solicitation report described by WAC 434-120-215 (2)(n), the form shall include a solicitation report on which the commercial coventurer must report:

(i) A brief description of the fund raising activity;

(ii) The name of each charitable organization with which it has contracted as a commercial coventurer;

and

(iii) A disclosure of the planned financial contribution pursuant to contract with the named charitable organizations. A commercial coventurer shall comply with this requirement by specifying how the commercial coventurer's contribution to the organization as a result of this promotion shall be calculated, based upon an aggregate fixed dollar amount, a fixed dollar amount per sale, or a fixed percentage of gross sales revenue.

(3) Interpretive note: An entity that is regularly engaged in the business of promoting events, including but not limited to concerts, circuses, rodeos, and sporting events, by selling tickets to such events through the use of a charitable solicitation, shall be deemed to be regularly or primarily engaged in making charitable solicitations or otherwise raising funds for one or more charitable organizations, and therefore is not a commercial coventurer.

(4) Interpretive note: A transaction is not one for the purchase of a good or service, and therefore the seller is not a commercial coventurer, if the item ostensibly sold is of slight or grossly disproportionate value in relation to the price or contribution sought in exchange, or if it is described as a prize, gift, reward or award, or similar term, for contributions made or solicited.

(a) Example: A solicitor tells a prospective contributor that if he or she will contribute one hundred dollars to a named charity, the solicitor will send him or her a paper bookmark embossed with the charity's logo as a reward. The solicitor is not a commercial coventurer.

(b) Example: A solicitor offers to sell an individual a coffee mug, with a fair market value of five dollars, for one hundred dollars, with the representation that fifty percent of the purchase price would be contributed to a named charity. The solicitor is not a commercial coventurer. Caution: A person selling a good or service at fair market value is still not a commercial coventurer if he or she is regularly engaged in charitable fund raising (see WAC 434-120-025 (3)(b)), or is selling tickets to events (see WAC 434-120-212(3)), or otherwise fails to qualify.

(5) Interpretive note: An entity that acts as a commercial coventurer, and that does not engage in any commercial fund raising in this state other than as a commercial coventurer, may register as a commercial coventurer in Washington even if it acts as a commercial fund raiser in other states.

(6) Interpretive note: A retail establishment that offers for sale a product that is marketed by others as a commercial coventurer, is not required to register unless it makes an independent appeal to charity or otherwise acts as a commercial coventurer or commercial fund raiser.

(a) Example: A supermarket includes in its merchandise line a product, with a label that states that a portion of the purchase price will go to charity, but the supermarket makes no other appeal to charity with regard to the product. The supermarket is not required to register as a commercial coventurer or commercial fund raiser, but the manufacturer will be considered a commercial coventurer if it otherwise satisfies the definition in WAC 434-120-025.

(b) Example: The supermarket in example (a) publishes an advertisement stating that a portion of the purchase price of a product will be devoted to charity. The supermarket is a commercial coventurer if it otherwise satisfies the definition in WAC 434-120-025.

(7) Unless specifically excused by this rule, a commercial coventurer shall comply with all other terms of chapter 19.09 RCW and chapter 434-120 WAC.

[Statutory Authority: RCW 19.09.079, 19.09.190 and 19.09.315. 97-16-036, § 434-120-212, filed 7/30/97, effective 8/30/97.]

WAC 434-120-215 Form.

(1) Commercial fund-raisers registering under this act shall use the commercial fund-raiser registration form available in the office of the corporations division. The secretary of state shall develop a form in compliance with this rule. The secretary's failure to affirmatively reject or return an incomplete registration or other filing that does not fully comply with these rules or chapter 19.09 RCW, shall not excuse the failure to comply. The secretary's acceptance of a registration or other filing which violates these rules or chapter 19.09 RCW shall not excuse the violation. A registration form is not complete, and will not be accepted for filing, unless it includes:

(2) A registration form is not complete, and will not be accepted for filing, unless it includes:

(a) The name of the organization, and every address (including both physical address and any mailing address if different), telephone number(s), FAX number(s), of the commercial fund-raising entity under which contributions are being solicited or received, including any electronic mail or Internet addresses used by the organization;

(b) The name(s); address(es); and telephone number(s) of the individual(s) responsible for fund-raising activities of the entity in Washington;

(c) If incorporated, the corporate name, unified business identifier number, state and date of incorporation, or if not incorporated, the type of organization and date established;

(d) The end date of its current fiscal year;

(e) The court or other forum, case number and title of all legal actions, if any, in which a judgment or final order was entered, or action is currently pending, against any organization or individual required to be identified in the registration.

"Actions" include any administrative or judicial proceeding alleging that the entity has failed to comply with these rules, chapter 19.09 RCW, or state or federal laws pertaining to taxation, revenue, charitable solicitation, or recordkeeping, whether such action has been instituted by a public agency or a private person or entity;

(f) A list of all states where the organization is registered for fund-raising, including any other names under which the organization is currently registered or has been registered in the past three years;

(g) The name, address, and telephone number of the officers or of persons accepting responsibility for the organization;

(h) The names of the three officers or employees receiving the greatest amount of compensation from the organization;

(i) The name and address of the person or entity with authority for the preparation of financial statements or the maintenance of financial information on behalf of the organization;

(j) The name, address, and telephone number of an individual with expenditure authority who can respond to questions regarding expenditures of funds, and the names and addresses of any charitable organizations who have given the commercial fund-raiser authority to expend funds or incur obligations on behalf of the organization;

(k) An irrevocable appointment of the secretary to receive service of process in noncriminal proceedings as provided in RCW 19.09.305;

(l) A solicitation report of the fund-raising activities of the entity for the preceding fiscal year including:

(i) The types of fund-raising services conducted;

(ii) The name of each charitable organization to whom this entity has provided fund-raising services;

(iii) The total dollar value of the following:

(A) Contributions received, either by your organization or the charities with whom you contract, as a result of services provided by your organization during the year shown above. (This is the total amount of money raised, regardless of who has possession of funds.)

(B) Funds either retained by, or paid to, the charities with whom you contract, after your fees and any expenses have been subtracted. (This is the portion of money raised that the charities receive or keep after all fund-raising expenses have been deducted.)

(iv) The name, address, and telephone number of any other commercial fund-raiser retained in the conduct of providing fund-raising services;

(m) The form shall also include a space within which any of the organization may provide additional information which the organization believes would be of assistance in understanding other reported information, or to provide context for reported information.

(3) Solicitation reports shall not report estimates, but shall report actual figures. If the organization did not directly or indirectly conduct any fund-raising activities in the previous accounting year, it shall file a supplemental registration form no later than the end of the ninth month after registering which provides a complete solicitation report with actual figures from the first six months of activity after registering.

(4) All commercial fund-raiser registrations shall be signed by an officer or owner of the commercial fund-raiser.

[Statutory Authority: RCW 19.09.075, 19.09.079 and 19.09.210. 97-16-035, § 434-120-215, filed 7/30/97, effective 8/30/97. Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-215, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004 and 94-02-011, § 434-120-215, filed 12/1/93 and 12/22/93, effective 1/1/94 and 1/23/94.]

WAC 434-120-218 Solicitation reports by commercial fund-raisers who subcontract.

(1) A commercial fund-raiser who engages another registered commercial fund-raiser to solicit funds or conduct a solicitation on behalf of a charitable organization is responsible for reporting and shall include the total contributions and the total expenses related to that campaign in its solicitations report and financial statement.

(2) If a reporting commercial fund-raiser's contributions and expenses for a campaign are also included in another commercial fund-raiser's solicitations report, the reporting fund-raiser shall list in its report the name of that fund-raiser, the name of the charitable organization, the dates of the campaign, and the total contributions and expenses for which it was responsible.

(3) Regardless of whether a commercial fund-raiser which acts as a contractor reports the contributions and expenses of its subcontractor(s), each subcontracting commercial fund-raiser, must independently register, post bond, report its own contributions and expenses, and comply with all other provisions of these rules and chapter 19.09 RCW as they apply to commercial fund-raisers.

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-218, filed 5/24/95, effective 6/24/95.]

WAC 434-120-220 Change in status, notification. A commercial fund raiser shall do the following:

(1) Notify the corporations division of a change in principal officer, owner, or Washington representative within thirty days after the change.

(2) Notify the corporations division of a change in business structure within thirty days, register the restructured or newly named entity as a new commercial fund raiser and include evidence of separate bonding.

(3) Notify the corporations division of a change in business name within thirty days, register the new name, and include evidence of bonding in the new name. If the fund raiser will use both the existing name and the new name, include evidence of separate bonding for each name and include a fee of ten dollars.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-220, filed 12/1/93, effective 1/1/94.]

WAC 434-120-225 Annual reregistration.

(1) Each commercial fund-raiser shall reregister annually by no later than the fifteenth day of the fifth month after the end of its fiscal year.

(2) A fund-raiser that changes its fiscal year shall notify the secretary of state of the change, in writing, within thirty days of making the change. No change in a fund-raiser's fiscal year shall cause the due date of a renewal to be more than one year after the previous registration or renewal. For purposes of renewals that include financial information for a partial year, due to a change of fiscal year, threshold levels for financial statement requirements shall be determined on a prorated basis.

[Statutory Authority: RCW 19.09.315 and 19.09.075. 96-10-021, § 434-120-225, filed 4/24/96, effective 5/25/96. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-225, filed 12/1/93, effective 1/1/94.]

WAC 434-120-240 Contract between a commercial organization and a charitable organization. A commercial fund raiser and charitable organization entering into a contract shall register the contract by completing the corporations division contract registration form and attaching a copy of the written contract. It shall be filed before the commencement of the campaign. There is a ten dollar fee for filing the copy of the contract in the corporations division. Both the contract and registration form shall be signed by the commercial fund raiser owner or principal and the charitable organization president, treasurer, or comparable officer. In addition to the statutory requirements of RCW 19.09.097, the terms of the contract shall include who will maintain the donor list. The commercial fund raiser shall be responsible for filing the contract.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-240, filed 12/1/93, effective 1/1/94.]

WAC 434-120-250 Fees. All commercial fund raisers shall pay an original registration fee at the time of filing and a yearly reregistration fee.

(1) The fee for original registration in this state is two hundred fifty dollars.

(2) The annual renewal fee is one hundred seventy-five dollars.

(3) The fee for filing changes in any information previously filed under RCW 19.09.075, 19.09.079, and WAC 434-120-215 or for filing a contract is ten dollars.

(4) The penalty is fifty dollars for failing to reregister within sixty days of the due date. Beginning on the sixty-sixth day or following administrative dissolution of the corporation, whichever is later, the commercial fund raiser shall pay an additional penalty of one hundred dollars for each unregistered year for up to two years or shall register as a new entity. These penalties are cumulative.

Any commercial fund raiser failing to reregister and conducting business may be subject to other penalties and remedies, which may be cumulative and not exclusive and be imposed by law.

(5) The fee for expedited in-person service is twenty dollars for any and all transactions within one commercial fund raiser file.

(6) The photocopy fee is ten dollars for copies of the annual registration form or letter.

(7) A commercial coventurer shall pay a registration fee of twenty dollars when it registers with the secretary or renews its registration.

[Statutory Authority: RCW 19.09.079, 19.09.190 and 19.09.315. 97-16-036, § 434-120-250, filed 7/30/97, effective 8/30/97. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-250, filed 12/1/93, effective 1/1/94.]

WAC 434-120-255 Financial standards. Upon the request of the attorney general, secretary or the county prosecutor, a commercial fund-raiser shall submit a financial statement containing, but not limited to, the following information within thirty days from date of request.

(1) The gross amount of the contributions pledged and the gross amount collected.

(2) The amount thereof, retained by the charitable organization, given or to be given to charitable organizations represented together with details as to the manner of distribution as may be required.

(3) The aggregate amount paid and to be paid for the expenses of such solicitation.

(4) The amounts paid to and to be paid to charitable organizations.

(5) Copies of any annual or periodic reports furnished by the fund-raising organization, of its activities during or for the same fiscal period, to its parent organization, subsidiaries, or affiliates, if any.

[Statutory Authority: RCW 19.09.075, 19.09.079 and 19.09.210. 97-16-035, § 434-120-255, filed 7/30/97, effective 8/30/97. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004 and 94-02-011, § 434-120-255, filed 12/1/93 and 12/22/93, effective 1/1/94 and 1/23/94.]

WAC 434-120-260 Surety bonds.

(1) In compliance with RCW 19.09.190 a registering commercial fund-raiser, as principal, shall submit proof of execution of a surety bond with one or more sureties whose liability in the aggregate will equal at least fifteen thousand dollars. Except as provided in WAC 434-120-265, commercial fund-raisers must provide proof of bonding in the following year if the commercial fund-raiser engages, or plans to engage, in one or more of the following practices:

(a) The fund-raiser directly or indirectly receives contributions from the public on behalf of any charitable organization; or

(b) The fund-raiser is compensated based upon funds raised or to be raised, number of solicitations made or to be made, or any similar method, even if the fund-raiser does not directly or indirectly receive the contributions; or

(c) The fund-raiser incurs or is authorized to incur expenses on behalf of the charitable organization; or

(d) Has not been registered with the secretary as a commercial fund-raiser for the preceding accounting year shall execute a surety bond as principal with one or more sureties whose liability in the aggregate as such sureties will equal at least fifteen thousand dollars.

(2) A commercial fund-raiser is considered to solicit or receive contributions from the public directly if they are solicited or received by the fund-raiser or by any officer, employee, principal, or shareholder of the commercial fund-raiser, including immediate family members. Contributions are solicited or received indirectly if they are solicited or received by:

(a) Any organization owned or controlled by the commercial fund-raiser or owned or controlled by any officer, employee, principal, or shareholder of the commercial fund-raiser, including immediate family members; or

(b) Any person or organization, other than the charitable organization for which funds are solicited, with which the commercial fund-raiser has a contractual relationship governing the solicitation or receipt of contributions. Solicitations shall be deemed received by the fund-raiser if they are deposited into bank accounts wholly or partially owned or controlled by the commercial fund-raiser or other entity with which the commercial fund-raiser maintains a contractual relationship.

(3) If a commercial fund-raiser does business under more than one name, each name used by that entity must be registered and bonded separately.

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-260, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-260, filed 12/1/93, effective 1/1/94.]

WAC 434-120-265 Exemption from surety bond. A commercial fund-raiser who can be classified as "product seller," as defined in RCW 7.72.010, may be exempt from the surety bond requirement in WAC 434-120-260 when:

(i) All proceeds for the life of the entity, including shareholder dividends, are dedicated to a single registered charitable trust or single registered charitable organization;

(ii) A written contract with the charitable trust or organization stating the agreement of the receiver to accept and the product seller to donate all proceeds is executed;

(iii) The contract is filed by the product seller with the corporations division;

(iv) "All proceeds" is the remainder left after subtracting indirect and direct expenses of bringing the product to the buyer; and

(v) An annual solicitation report, signed by the entity making the audit report and the president, is filed with the corporations division (see WAC 434-120-215(4)).

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-265, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-265, filed 12/1/93, effective 1/1/94.]

WAC 434-120-270 Impairment of surety bond. In the event that a final judgement shall impair the liability of a surety bond and the full amount required is not in effect, the secretary shall suspend the registration of such commercial fund raiser. The commercial fund raiser may request reinstatement when it has restored the full amount of the required bond liability and satisfied all judgement claims.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-270, filed 12/1/93, effective 1/1/94.]

WAC 434-120-280 Signing off on the surety bond. A commercial fund raiser bonded in accordance with chapter 19.09 RCW and these regulations, shall retain the protection of the bond until all claims against it can be filed in accordance with the statute of limitations as listed in chapter 4.16 RCW. The secretary of state has not been granted authority to sign off on a surety bond signifying that all outstanding claims have been filed prior to the expiration of the statute of limitations.

[Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-280, filed 12/1/93, effective 1/1/94.]

SECTION IV
CHARITABLE TRUST REGISTRATION REQUIREMENTS

WAC 434-120-300 Jurisdiction. A trust is subject to Washington jurisdiction if:

- (1) It is created pursuant to a trust instrument that specifies that it is subject to the jurisdiction of the state of Washington or that its terms are to be construed pursuant to the laws of the state of Washington;
- (2) It is a testamentary trust, and the will was probated or recorded, or letters testamentary and of administration were granted in the state of Washington;
- (3) The trust was created pursuant to order of a Washington court or by operation of Washington law;
- (4) The trust was created by or pursuant to the articles of incorporation of a Washington corporation; or
- (5) No state, territory, or nation may assert a superior claim of jurisdiction, and:
 - (a) The trust was created pursuant to an inter vivos agreement or document executed or recorded within the state of Washington but which does not expressly vest jurisdiction in another state, territory, or nation; or
 - (b) The trust corpus consists predominantly of property located in or administered from Washington; or
 - (c) A basis exists upon which to assert or concede jurisdiction in the state of Washington.

[Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070. 98-18-034, § 434-120-300, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.070. 96-08-049, § 434-120-300, filed 4/1/96, effective 5/2/96. Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-300, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-300, filed 12/1/93, effective 1/1/94.]

WAC 434-120-305 Registration and reporting.

- (1) The Charitable Trust Act requires those trustees described by RCW 11.110.051 to complete an initial registration with the secretary of state, and thereafter to file with the secretary copies of the trust's United States tax or information return. This section generally describes these registration and reporting requirements, with reference to the applicable statutes. These rules do not repeat all statutory requirements.
- (2) Who shall register and report: The registration and reporting requirements of chapter 11.110 RCW apply to every trustee, as defined by RCW 11.110.020, who is required to register by RCW 11.110.051. The secretary of state has determined, pursuant to RCW 11.110.051 (1)(a), that no trustee shall be required to register or report unless, as to a particular charitable trust, the trustee holds assets, invested for income-producing purposes, exceeding a value of two hundred fifty thousand dollars, and otherwise meets the description of RCW 11.110.051.
- (3) Initial registration: Every trustee required to register by RCW 11.110.051 shall do so, in the time and in the manner described by RCW 11.110.060. Trustees shall use the registration form described by WAC 434-120-310, and file all other documents required by RCW 11.110.060. Trustees required to register shall also file with the secretary any later amendments to the trust instrument within four months of making the amendment.
- (4) Periodic reporting: After the initial registration, every trustee required to register by RCW 11.110.051 shall report annually as required by RCW 11.110.070. The annual reporting requirement is fully satisfied by filing a copy of the trust's United States tax or information return, forms 990, 990 PF, or 990 EZ, with the secretary of state at the same time as it is required to be filed with the Internal Revenue Service. Any trustee who is not required by federal law to file any of the named forms with the Internal Revenue Service shall either complete a federal return and file it with the secretary, or may instead file the form described by WAC 434-120-320 by no later than the fifteenth day of the fifth month after the end of its fiscal year.

[Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070. 98-18-034, § 434-120-305, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-305, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-305, filed 12/1/93, effective 1/1/94.]

WAC 434-120-310 How to register--Form.

- (1) Trustees registering under chapter 11.110 RCW shall use the registration form available in the office of the secretary of state. The secretary of state shall develop a form in compliance with this rule. The secretary's failure to affirmatively reject or return an incomplete registration or other filing that does not fully comply with these rules or chapter 11.110 RCW shall not excuse the failure to comply.
- (2) A registration form is not complete unless it includes:
 - (a) The trustee's name;
 - (b) The trustee's mailing address, and physical address if different;
 - (c) The name of the trust to be registered, or other identifying information sufficient to distinguish the trust from other registered trusts;
 - (d) A brief description of the charitable purposes of the trust, which may, at the trustee's option, include the names and addresses of any charitable organizations benefitted by the trust;
 - (e) The market value of all trust assets invested for income-producing purposes as of the date on which the trustee received possession or control of the trust corpus; and
 - (f) The signature of the trustee, or, if the trustee is a corporation, of the corporate officer or employee responsible for the trust.

(3) A copy of the governing instrument creating the trust shall not be deemed sufficient to meet the requirements of this section.

[Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070. 98-18-034, § 434-120-310, filed 8/26/98, effective 9/26/98. Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-310, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-310, filed 12/1/93, effective 1/1/94.]

WAC 434-120-320 Content of annual reports for trusts not required to file United States tax or information returns.

(1) The secretary of state shall develop a form in compliance with this rule, for use by trustees who are not required to file a United States tax or information return. The secretary's failure to affirmatively reject or return an incomplete registration or other filing that does not fully comply with these rules or chapter 11.110 RCW shall not excuse the failure to comply.

(2) A registration form is not complete unless it includes:

- (a) The trustee's name;
- (b) The trustee's mailing address, and physical address if different;
- (c) The name of the trust, or other identifying information sufficient to distinguish the trust from other trusts;
- (d) A brief description of the charitable programs of the trust conducted during the reporting period;
- (e) The market value of all trust assets invested for incoming-producing purposes as of the close of the reporting period;
- (f) The total income of the trust during the reporting period;
- (g) The total funds expended for charitable purposes during the reporting period;
- (h) The total funds expended for purposes other than charitable; and
- (i) The signature of the trustee, or, if the trustee is a corporation, of the corporate officer or employee responsible for the trust.

[Statutory Authority: RCW 11.110.051, 11.110.060 and 11.110.070. 98-18-034, § 434-120-320, filed 8/26/98, effective 9/26/98. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-320, filed 12/1/93, effective 1/1/94.]

WAC 434-120-330 Annual fees.

(1) Charitable trusts registering for the first time shall pay a fee of twenty-five dollars. If an organization files a noncombined renewal, the fee shall be twenty-five dollars. When renewal is combined with filing an annual nonprofit corporation report the fee shall be twenty-five dollars. If an organization simultaneously files renewals under the Nonprofit Corporations Act, the Charitable Solicitations Act, and the Charitable Trust Act, the annual renewal fee shall be thirty dollars for all three, or if renewing under the Charitable Trusts Act, the Charitable Solicitations Act, the public benefits provision, and filing a nonprofit corporation annual report, the fee shall be thirty dollars for all four.

(2) For all expedited in-person service, the fee is twenty dollars for one or more transactions within one charitable trust file.

(3) For a photocopy of an Internal Revenue Service Form 990EZ the fee is five dollars and for a copy of Form 990 or 990-PF the fee is ten dollars with a surcharge for forms exceeding 100 pages of copy, which is thirteen dollars for each fifty page increment.

[Statutory Authority: RCW 11.110.070 and 19.09.315. 95-11-135, § 434-120-330, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. 94-01-004, § 434-120-330, filed 12/1/93, effective 1/1/94.]